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DEFICIENCIES IN HUNGARY'S ECONOMY; 1955 ECONOMIC PLANNepszava

Budapest, 12 Oct 1954

The following is a summary of the report on the national economy submitted by the Political Committee to the Central Committee of the Hungarian Workers Party:

Agriculture

Hungary has become one of the largest rice-producing countries of Europe. Production of corn and green vegetables has increased and vegetable prices have declined since 1953. Considerable progress has been made in animal husbandry. By this fall, the pig stock should increase to 5-7 million, the largest number since the liberation.

Most producer cooperatives have strengthened their position since the withdrawal of members last year. Agriculture has received many more machines this year than last.

Industry

Production of consumer goods during the first 8 months of 1954 was 12.4 percent greater than during the corresponding period of 1953.

Standard of Living

In the first quarter of 1954, workers' income was 15.8 percent greater and prices for consumer goods were 8.3 percent less than in the first quarter of 1953. However, complaints are numerous about the poor quality of consumer goods.

Deficiencies

Progress in the development of agriculture is slower than planned because of shortages in equipment and labor. Industry is lagging behind the plan and fails to supply adequate amounts of farm equipment and consumer goods.

Production of basic materials has slowed down. During the first 8 months of 1954, the output of coal, rolled steel, and building materials was below that in the corresponding period of 1953. The debt [lag behind plan?] of the coal mines had increased to 350,000 tons by 20 September.

The basic prerequisite for a rise in the national economy is acceleration of the industrial regrouping with a view to increasing the production of farm machines, consumer goods, and exportable products.

The situation in regard to cost of production has become intolerable. Budgetary appropriations are too high. In recent years, the national budgets showed a greater relative increase than national income. Public administration personnel has increased by 164 percent since 1949. Appropriations for sports, scholarships, and training courses have increased excessively. Reduction of production costs must be one of the main tasks in the immediate future.

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The 1955 Plan

The foregoing facts and considerations formed the basis for the national economic plan which the Political Committee adopted last June. Under this plan industrial and agricultural production must be increased considerably during 1955. The plan provides for a saving of 2-3 percent in materials, industrial regrouping, acceleration of the production of consumer goods, a 30-percent increase in appropriations for renovations, a 3-percent reduction in production costs, the transfer of surplus administrative personnel to productive work, etc.

Foremost Tasks

1. Establishment of unity in the party in regard to the new course policy, and consistent interpretation of economic-political goals. Fight against uncertainty among economic leaders and elimination of persons who are incapable of accomplishing such goals.
2. Acceleration of industrial and agricultural production, especially of bread grains. Improvement of the economic position of peasants and increase in exportable agricultural products. Increase in fodder production and better utilization of agricultural machines.
3. Completion of the 1954 industrial production plan. Increase in production of agricultural equipment, consumer goods, and export products. Increase in fertilizer production, especially nitrogen fertilizers. Improvement in the quality of agricultural machines. Increase in the mechanization of coal mines.
4. Increase in productivity and reduction of production costs. Improvement in maintenance work. Introduction of economic incentives for workers and technicians.
5. Reduction of budgetary appropriations, continuance of rationalization, and re-employment of surplus personnel in the course of rationalization.
6. Liquidation of bureaucracy and of irresponsible attitudes of managers. Punishment of violators of work and plan discipline.

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